UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

LAURA SEIDL, individually, derivatively and on behalf of all others similarly situated, Plaintiff, - against - AMERICAN CENTURY COMPANIES, INC., AMERICAN CENTURY INVESTMENT MANAGEMENT, INC., JAMES E. STOWERS, JR., JAMES E. STOWERS, III, JONATHAN S. THOMAS, THOMAS A. BROWN, ANDREA C. HALL, DONALD H. PRATT, GALE E. SAYERS, M. JEANNINE STRANDJORD, TIMOTHY S. WEBSTER, WILLIAM M. LYONS, MARK MALLON, WADE SLOME, BRUCE WIMBERLY, and JERRY SULLIVAN, Defendants, - and - AMERICAN CENTURY MUTUAL FUNDS, INC., doing business as AMERICAN CENTURY ULTRA FUND, Nominal Defendant.	08 Civ. 8857 (DLC) ECF Case **AMENDED VERIFIED CLASS ACTION AND DERIVATIVE COMPLAINT** **and** **JURY DEMAND**

Plaintiff, amending her verified class action and derivative complaint dated October 15, 2008 pursuant to an order of the Court entered April 28, 2009, alleges:

OVERVIEW

1. This lawsuit arises from criminal acts committed by the defendants ("Defendants") when they unlawfully invested money entrusted to them by the plaintiff ("Plaintiff") in an illegal gambling business. These unlawful investments resulted in significant losses following a law enforcement crackdown in the summer of 2006.

2. Plaintiff is a shareholder in Nominal Defendant American Century Mutual Funds, Inc. ("ACMF"), through its American Century Ultra Fund (the "Fund").

3. Defendants caused the ACMF to illegally invest, repeatedly and over a significant period of time, in an entity whose primary business constituted illegal gambling under

the laws of one or more of the United States. The market value of these investments plunged when law enforcement officials began criminal enforcement proceedings against such illegal gambling businesses and their principals. Defendants' illegal investments, all of which were purchased for the Fund's portfolio, directly injured Plaintiff and other investors in the Fund because the value of shares in the Fund is calculated daily on the basis of the net asset value of the Fund's portfolio. Each dollar lost by Defendants' investments in an illegal gambling business resulted in a dollar loss to the Fund portfolio and to the investors in the Fund on a *pro rata* basis.

4. The losses suffered by ACMF and its investors were a direct, proximate, and foreseeable result of Defendants causing ACMF to own or finance illegal gambling businesses. The losses in the value of such investments were caused solely by the fact that the primary source of revenue for such illegal gambling businesses was lost following law enforcement actions in the US. Such losses were the direct, proximate, and foreseeable consequences of investing in illegal gambling businesses.

5. Defendants are the individuals and entities responsible for causing ACMF to make the illegal investments that led to Plaintiff's injuries.

6. Plaintiff asserts claims under the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. §§ 1961-68 ("RICO"), as well as common law claims for breach of fiduciary duty, negligence, and waste.

7. Defendants, each of whom is a person or entity employed by or associated with ACMF, conducted the affairs of ACMF through a pattern of racketeering. Specifically, each of the Defendants knowingly developed and implemented (or conspired to develop and implement) an investment strategy pursuant to which ACMF, through the Fund, was caused repeatedly and over a significant period of time to purchase shares in an "illegal gambling business" as that term is defined in 18 U.S.C. § 1955, which makes it a felony to "own all or part of an illegal gambling business." By causing ACMF to purchase stock in an illegal gambling business, Defendants caused ACMF to become an owner of an illegal gambling business and thereby to violate 18 U.S.C. § 1955.

8. A violation of 18 U.S.C. § 1955 is a predicate crime under RICO. 18 U.S.C. § 1961(1)(B). Thus, by causing ACMF to purchase stock of an illegal gambling business repeatedly and over a significant period of time, Defendants conducted the affairs of ACMF through a pattern of racketeering in violation of 18 U.S.C. § 1962(c). They also conspired to violate 18 U.S.C. §1962(c) within the meaning of 18 U.S.C. § 1962(d).

9. Because Defendants' unlawful conduct injured ACMF itself, Plaintiff has named ACMF as a nominal defendant, and Plaintiff asserts derivative claims on behalf of ACMF.

10. Because Defendants' wrongdoing injured numerous investors in the Fund in exactly the same way, this action is brought as a class action.

THE PARTIES

Plaintiff

11. Plaintiff Laura Seidl ("Plaintiff") is a citizen of New York, New York. She first acquired shares in the Fund prior to 2005 for investment purposes.

12. Plaintiff sues derivatively on behalf of ACMF.

13. Plaintiff also seeks to represent a class of investors in ACMF (the "Class") who first purchased shares in the Fund before July 17, 2006 and still held shares after July 17, 2006 (the "Class Period").

Nominal Defendant

14. ACMF is a corporation organized under the laws of the State of Maryland. It has its principal place of business at 4500 Main Street, Kansas City, Missouri 64111. It is registered under the Investment Company Act of 1940 (the "1940 Act") as an open-end management investment company.

15. ACMF is a "series" mutual fund. A series mutual fund is one that has two or more portfolios of securities, each offering a separate series or class of stock to investors. Each portfolio of a series mutual fund generally has different investment objectives, policies, practices, and risks. The shareholders of each portfolio do not participate in the investment

results of any other portfolio and must look solely to the assets of their portfolio for most purposes, including redemption, liquidation, earnings, and capital appreciation. Each series of stock represents a different group of stockholders with an interest in a segregated portfolio of securities. Each separate portfolio is commonly referred to as a "fund."

16. ACMF offers a "series" of shares representing an interest in a "fund" known as American Century Ultra Fund, which is referred to herein as the "Fund," though it is not a separate legal entity. In addition to the Fund, ACMF also comprises 17 other funds, none of which is a separate legal entity. ACMF has a single board of directors, which manages all 18 of its funds.

17. ACMF, through its managers, is hostile and antagonistic to the enforcement of the claims set forth herein, such that it is properly aligned as a defendant for purposes of diversity of citizenship.

Defendants

18. Defendant American Century Companies, Inc. ("ACC") is incorporated in the state of Maryland and has its principal place of business at 4500 Main Street, Kansas City, Missouri 64111.

19. ACC is an investment management company that controls ACMF and the Fund through its subsidiary, American Century Investment Management, Inc. ("ACIM"), and through its selection and appointment of the executives and the entire board of directors of ACMF. The Fund does not have a board of directors separate from the board of ACMF.

20. Defendant ACIM is incorporated in the state of Delaware and has its principal place of business at 4500 Main Street, Kansas City, Missouri 64111.

21. ACIM serves as the investment adviser to dozens of investment companies controlled by ACC, including ACMF and the Fund. ACIM was responsible for management of the Fund and implementing the investment strategy complained of herein.

22. Defendant James E. Stowers, Jr. ("Stowers Jr.") is Chairman of ACMF, a director and controlling shareholder of ACC, and a director of ACIM. Stowers Jr. was responsible for overseeing the investment strategy complained of herein.

23. Defendant Jonathan S. Thomas ("Thomas") is the President and Chief Executive Officer of ACMF and has been since January 2007. He was the Executive Vice President of ACMF from November 2005 through February 2007. Thomas exercised operational or managerial oversight over the portfolio holdings of the Fund, including the investment strategy complained of herein.

24. Defendants James E. Stowers, III ("Stowers III"), Thomas A. Brown ("Brown"), Andrea C. Hall ("Hall"), Donald H. Pratt ("Pratt"), Gale E. Sayers ("Sayers"), M. Jeannine Strandjord ("Strandjord"), and Timothy S. Webster ("Webster") (collectively and together with Stowers Jr. and Thomas, the "Directors") are members of the board of directors of ACMF. Each of the Directors allowed ACMF, through the Fund, to invest or continue its investments in an illegal gambling business. Each of the Directors had a fiduciary duty to act in the best interests of the shareholders of the ACMF and the Fund. To an even greater degree than the directors of corporations that are not mutual funds, the directors of mutual funds are responsible for protecting the funds they serve under a unique watchdog role.

25. Defendant William M. Lyons ("Lyons") was President of ACMF from September 2000 through January 2007. Lyons also served as the Chief Executive Officer of ACC from September 2000 through January 2007. He was primarily responsible for the day-to-day management of the Fund and implementing the investment strategy complained of herein.

26. Defendant Mark Mallon ("Mallon") at all relevant times was the Executive Vice President and Chief Investment Officer of ACMF. He was responsible for day-to-day management of the Fund and for implementing the investment strategy complained of herein.

27. Defendants Wade Slome ("Slome"), Bruce Wimberly ("Wimberly") and Jerry Sullivan ("Sullivan") at all relevant times were the co-portfolio managers of the Fund. They were responsible for developing and implementing the investment strategy complained of herein.

28. The individual defendants are citizens of the states of Missouri, Kansas, and Illinois.

JURISDICTION AND VENUE

29. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 (federal question), 1332 (diversity), 1337 (commerce regulation) and 1367(a) (supplemental jurisdiction) and 18 U.S.C. § 1964 (RICO). There is complete diversity of citizenship, and the amount in controversy, without interests and costs, exceeds the sum or value specified by 28 U.S.C. § 1332. Plaintiff is a citizen of New York, and each of the defendants is a citizen of a state other than New York.

30. Venue is proper in this district pursuant to 28 U S.C. § 1391 and 18 U.S.C. § 1965 (RICO) because some of the acts and practices complained of herein occurred in substantial part within this district and because one or more Defendants reside, has an agent, or transacts their affairs within this district.

31. In connection with the acts and omissions alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including without limitation, the mails, interstate telephone communications, the Internet, and the facilities of the national securities markets and exchanges.

FACTS COMMON TO ALL CLAIMS

32. Section 1955 of Title 18 ("§ 1955") makes it unlawful to "finance … or own all or part of an illegal gambling business."

33. One who purchases stock of a gambling business finances and becomes a part owner of such business.

34. Defendants caused ACMF repeatedly to violate § 1955 within a ten-year period by causing ACMF to purchase shares of an "illegal gambling business" within the meaning of § 1955.

35. Each time ACMF purchased stock of an illegal gambling business, it violated § 1955.

36. Each of the Defendants knowingly developed and implemented (or conspired to develop and implement) an investment strategy pursuant to which ACMF, through the Fund, was caused repeatedly and over a significant period of time to purchase shares in PartyGaming Plc ("PartyGaming").

37. At various times, in or about June and July 2005, Defendants caused ACMF, through the Fund, to purchase millions of shares of PartyGaming. At various times between August 1, 2005 and October 31, 2005, Defendants caused ACMF, through the Fund, to purchase additional shares of PartyGaming. At various times between November 1, 2005 and January 31, 2006, Defendants caused ACMF, through the Fund, to purchase additional shares of PartyGaming.

38. At the time of the investments complained of herein, PartyGaming was an "illegal gambling business" as that term is used in § 1955.

39. At the time of the investments complained of herein, it was well-established that gambling businesses operating outside the United States violate U.S. criminal law when they take wagers from gamblers in the U.S. For example, Jay Cohen ("Cohen") was convicted in February 2000 of running an internet sports book. On appeal, the Second Circuit held that Cohen and his organization, an Antiguan corporation that took bets over the Internet from gamblers in New York, violated the Wire Gambling Act, 18 U.S.C. § 1084, whenever there "was a telephone call or an internet transmission between New York and [defendant] in Antigua" that facilitated a bet or wager on a sporting event. *U.S. v. Cohen*, 260 F.3d 68 (2d Cir. 2001).

40. At the time of the investments complained of herein, it was also well-established that gambling businesses operating outside the United States may violate the criminal laws of individual states when they take wagers from gamblers in those states. For example, in *People ex rel. Vacco v. World Interactive Gaming Corp.*, 185 Misc.2d 852 (N.Y. Co. Sup. Ct. 2000), the court held that Cohen's company engaged in illegal gambling activity in violation of New York state law.

41. On June 11, 2003, the United States Department of Justice ("DOJ") issued a public warning letter reminding the public that "Internet gambling and offshore sportsbook operations that accept bets from customers in the United States violate Sections 1084, 1952, and 1955 of [Title] 18 of the United States Code, each of which is a Class E felony. Additionally, pursuant to [18 U.S.C. § 2], any person or entity who aids or abets in the commission of any of the above-listed offenses is punishable as a principal violator of those statutes."

42. There is also no question that PartyGaming, in particular, was an illegal gambling business. On December 16, 2008, one of the co-founders of PartyGaming, Anarug Dikshit, pleaded guilty in the United States District Court for the Southern District of New York to engaging, through PartyGaming, in illegal Internet gambling. As part of his plea agreement, Dikshit agreed to forfeit $300 million to the US government.

43. In a June 2005 prospectus, in connection with an initial public offering ("IPO") of its securities, PartyGaming warned prospective investors that "in many countries, including the United States, the Group's activities are considered to be illegal by relevant authorities." In the same prospectus, PartyGaming disclosed to prospective investors that it "generates most of its revenues from customers in the US (approximately 87 per cent. in the first quarter of 2005)."

44. The PartyGaming prospectus also warned prospective investors:

> "The US Department of Justice considers that companies offering online gaming to US residents are in violation of existing US federal laws, including (but not limited to) the Wire Act, the Illegal Gambling Business Act, the Paraphernalia Act and the Travel Act.
>
> …
>
> There are criminal and civil sanctions for breach of these federal and state prohibitions, which include the possibility of significant fines, injunctions, claims for damages and imprisonment of relevant individuals (such as directors), as well as the repayment of losses suffered by US residents.
>
> …
>
> In April 2004, the Group [PartyGaming] was informed by Discovery Communications, the television and media company that owns the Travel

> Channel, that US marshals had seized over $2 million of the Group's funds from Discovery Communications.
>
> …
>
> Despite the Department of Justice's stance on advertising of online gaming operations, PartyGaming continues to advertise its real money sites in the US through a number of media, including television, print and sponsorship."

45. Shortly after PartyGaming's IPO began in or about June 2005, major media sources widely reported on the legal risks being run by foreign Internet gambling businesses. For example, on June 26, 2005, The New York Times reported that, for PartyGaming, the "potential illegalities aren't just a secret hidden in its business plan – they are the centerpiece of its business plan."

46. Prior to the investments complained of herein, Defendants each knew, or was reckless in not knowing, that PartyGaming was taking bets from gamblers in the United States and that law enforcement agencies in the United States considered its activities to be illegal gambling.

47. In addition to the foregoing, before Defendants first caused the ACMF to invest in PartyGaming, it was public knowledge in the United States, based on various news media reports and public press releases from the United States Department of Justice, that:

- In 1997, a Missouri court held that Interactive Gaming & Communications Corp. violated state law by accepting bets through the Internet.
- In October 2001, New Jersey filed enforcement proceedings against various online gaming entities, including Sportingbet, for violating New Jersey's gambling laws.
- In October 2001, Gold Medal Sports, an online sportsbook located in Curacao, and its principals, pleaded guilty to racketeering in a criminal case brought by the United States Attorney for the Western District of Wisconsin.
- In April 2002, based on pressure brought by the Attorney General of New York, PayPal, the world's largest electronic payment processor, agreed to halt financial transactions on behalf of online gambling companies such as Sportingbet, BWin and PartyGaming that were taking bets from gamblers in New York in violation

of New York state law. Banks, including Citibank, also settled claims brought by the New York State Attorney General by agreeing to halt payment processing for unlawful Internet gambling businesses.

- In March 2003, the United States brought suit against PayPal in Missouri for facilitating unlawful gambling activity. In July 2005, PayPal agreed to pay the federal government $10 million in penalties.

- The DOJ seized millions of dollars from cable TV stations that accepted advertising money from such illegal Internet gambling businesses, including over $6 million from the Discovery Channel in April 2004.

- In 2006, Sporting News agreed to pay a $7.2 million fine because it promoted unlawful gambling businesses by publishing ads for Internet gambling sites.

48. By causing ACMF to purchase stock in an illegal gambling business, Defendants caused ACMF to finance and to become an owner of part of an illegal gambling business in violation of § 1955.

49. On May 4, 2006, Defendants caused representatives of ACMF to attend and vote at the annual meeting of PartyGaming. ACMF voted for the full slate of directors up for election and approved the proposed executive compensation packages of its executives.

50. On June 1, 2006, a US grand jury indicted London-based BetOnSports Plc ("BetOnSports") – an unlawful Internet gambling business similar to PartyGaming – for racketeering, mail fraud and running an illegal gambling enterprise because it was accepting wagers from US bettors in violation of US law. The indictment was filed under seal, so investors did not learn about it until July 16, 2006 when its Chief Executive Officer, David Carruthers, was arrested.

51. Beginning after the public disclosures of the BetOnSports indictment, the share prices of publicly held gambling companies that had been taking bets from gamblers in the US – including PartyGaming – fell dramatically.

52. There was no other material cause for the drop in PartyGaming's share price other than PartyGaming's anticipated loss of illegal US-based gambling revenue due to government enforcement efforts. That drop was the direct, proximate, natural, probable and

reasonably foreseeable consequence of Defendants' actions in causing ACMF to invest in an illegal gambling business in violation of federal criminal law.

53. On or after July 16, 2006, but prior to July 31, 2006, ACMF sold all of its shares of PartyGaming, realizing millions of dollars in losses.

54. Each of the Defendants agreed to cause, and participated in a scheme to cause, ACMF to purchase stock in an illegal gambling business.

55. Pursuant to the foregoing agreement and scheme, one or more of the Defendants did in fact cause ACMF repeatedly and over a significant period of time, or in an open-ended scheme, to purchase stock in an illegal gambling business which was illegal under federal law and the laws of one or more of the United States.

56. ACMF is an open-ended investment company whose activities affect interstate or foreign commerce.

57. ACMF is an enterprise within the meaning of RICO.

58. Each of the Defendants is a person employed by or associated with ACMF.

59. Each of the Defendants had operational or managerial control over ACMF.

60. In causing ACMF to purchase stock of an illegal gambling business, each of the Defendants exercised operational or managerial control over ACMF.

61. At the time Defendants caused ACMF to purchase stock in PartyGaming, PartyGaming was an illegal gambling business because the business of the company (a) violated the laws of one or more of the United States, including, without limitation, the laws of the state of New York; (b) involved five or more persons who conduct, finance, manage, supervise, direct, or own all or part of such business; and (c) had been or remained in substantially continuous operation for a period in excess of thirty days or had a gross revenue of $2,000 in any single day.

62. Defendants' activities causing ACMF to make investments in an illegal gambling business constituted an open-ended, continuous pattern of racketeering activity under 28 U.S.C. § 1962(c).

63. Defendants conducted or caused to be conducted, or were reckless in failing to conduct or to cause to be conducted, due diligence before ACMF purchased stock in an illegal gambling business. Accordingly, Defendants each knew, or is deemed to have known, that they were causing ACMF to purchase stock of a company that was taking wagers from gamblers in the United States, including, without limitation, the State of New York.

64. In or about 2006, federal and state law enforcement agencies began a crackdown on illegal gambling businesses such as the one in which Defendants had caused ACMF to invest. As a result, the stock price of the illegal gambling business which ACMF owned fell substantially, particularly as the market re-priced the value of the shares of the illegal gambling business to exclude revenues derived from activities which violated anti-gambling laws in the United States.

65. As a direct, foreseeable, and proximate result of Defendants' acts in causing ACMF to invest in an illegal gambling business, Plaintiff was injured in her property.

66. Each purchase of shares by ACMF in PartyGaming caused ACMF to own part of an illegal gambling business.

67. Each purchase of shares by ACMF in PartyGaming caused ACMF to finance an illegal gambling business.

68. In addition to conducting or participating in the conduct of ACMF's activities through a pattern of racketeering, Defendants also agreed and conspired to violate 18 U.S.C. § 1962(c) by conducting or participating in the conduct of the affairs of ACMF through a pattern of racketeering activity within the meaning of 18 U.S.C. § 1962(d). Specifically:

(a) Defendants agreed to cause ACMF to invest in an illegal gambling business.

(b) In furtherance of such conspiracy, Defendants caused ACMF to make investments in an illegal gambling business.

69. Plaintiff has been injured in her business or property through Defendants' violation of 18 U.S.C. § 1962.

70. Plaintiff's injuries were proximately caused by Defendants' racketeering activities and the overt acts taken in furtherance of Defendants' racketeering conspiracy.

71. Plaintiff's injuries were the foreseeable, direct and natural consequence of unlawful investments in an illegal gambling business.

72. Defendants' actions breached their fiduciary duties to ACMF.

73. Defendants' actions also breached their fiduciary duties to each of the shareholders of the Fund.

74. Defendants' actions also constituted negligence in that they breached a duty of care owed to ACMF.

75. Defendants' actions also constituted negligence in that they breached a duty of care owed to each of the shareholders of the Fund.

76. Plaintiff has been injured as a result of Defendants' breaches of fiduciary duties and negligence.

77. ACMF been injured in its business or property as a result of Defendants' racketeering, breach of fiduciary duty, negligence and waste of assets.

ALLEGATIONS COMMON TO ALL DERIVATIVE CLAIMS

78. Plaintiff was a shareholder of ACMF at the time of the transactions of which she complains.

79. Plaintiff is a shareholder in ACMF at the present time.

80. This action is not a collusive one to confer jurisdiction on this Court which it would not otherwise have.

81. No effort has been made to obtain the desired action from the board of directors of ACMF because (a) the entire board of directors of ACMF have an inherent conflict in determining a demand against Defendants; and (b) in addition, a majority of the board of directors have a disabling interest because they are exposed to a substantial likelihood of criminal and civil liability. In particular:

(a) The entirety of the board of directors of ACMF is inherently conflicted because any decision to vindicate the rights of investors in the Fund against ACC and ACIM would be contrary to the interests of shareholders of other funds on whose behalf the directors also serve and to whom they owe a duty of undivided loyalty;

(b) The defendant Directors, who compose a majority of the board of directors, also have disabling interests and lack independence because they face a substantial likelihood of criminal and civil liability for wrongs that constitute, among other things, crimes, bad faith, gross negligence, willful misfeasance, reckless disregard of duty, and violation of defendant Directors' duty of loyalty.

82. The members of the board of directors of ACMF each have fiduciary duties to independently represent the best interests of the investors in each of the funds that compose ACMF. The Directors therefore are charged with separate and independent fiduciary duties to the investors in the Fund as well as to the investors in the other funds that constitute ACMF.

83. The interests of the investors in the other funds that constitute ACMF are contrary to the interests of the investors in the Fund for the claims set forth in this complaint against Defendants. The interests of the investors in the other funds that constitute ACMF are antagonistic to those of the investors in the Fund because the fees paid directly or indirectly to ACC and ACIM by ACMF and allocated by Defendants to the Fund help cover the expenses or losses of the other funds that compose ACMF.

84. According to ACMF's official filings with the United States Securities and Exchange Commission ("SEC"), ACIM is responsible for providing or arranging for all services necessary for the operation of all the separate funds that compose ACMF. ACIM obtains the funds to pay for all such operation expenses in part from the fees allocated to the Fund.

85. Were the Plaintiffs to prevail in this litigation, ACIM would be liable to forfeit an amount equal to three times all of the fees it has received on account of its management of the Fund's portfolio from the time that Defendants first caused ACMF to purchase shares in illegal

gambling businesses. In that event, ACIM would be unable to continue covering the operational expenses of the other funds that compose ACMF as well as funds to which the board of directors also have fiduciary duties. As a result, it is contrary to the interests of investors in the other funds for Plaintiff to succeed in this action. All of the directors therefore have an irreconcilable conflict of interest with respect to this action because they owe a duty of undivided loyalty to multiple groups of investors whose interests directly and irreconcilably conflict.

86. Because of the inherent conflict of interest faced by the entire board of directors of ACMF, demand on them to bring suit against Defendants would be futile as a matter of law.

87. In addition, a majority of the board of directors also have a disabling interest in assessing a demand to sue Defendants – including themselves – on behalf of ACMF because they face a substantial likelihood of personal criminal or civil liability.

88. To an even greater degree than the directors of ordinary corporations, mutual fund directors, including the Directors, are responsible for protecting a mutual fund's investors under a unique watchdog role. Thus, each of the Directors had a special duty to ensure that ACMF did not invest in criminal activities and enterprises, including illegal gambling businesses.

89. The Directors also had a duty to ensure that ACMF had proper control mechanisms to ensure that it did not make any investments in any illegal gambling businesses.

90. As part of its role as investment adviser, ACIM, which is controlled by ACC, selects the persons who serve on ACMF's board of directors, including the Directors. Accordingly, the relationship between ACC, ACIM, ACMF and the Directors is fraught with conflicts of interest.

91. Because of the widely-publicized "red flags" waved by international media concerning the illegality of investments in companies such as PartyGaming, the Directors knew or were reckless in not knowing that ACMF's investments in PartyGaming was illegal.

92. Because a demand in this case would require the board of directors of ACMF to cause ACMF to sue ACC, ACIM and the Director defendants, the Directors are inherently conflicted from exercising independent and disinterested business judgment.

93. Therefore, pre-suit demand upon the Directors would have been futile because a majority of the directors could not have properly exercised his independent and disinterested business judgment in responding to a demand. Not only do the Director defendants face a substantial threat of civil and criminal liability, but the relationship between the ACC, ACIM, ACMF and the Directors involve conflicts of interest that create a strong presumption against board independence and disinterest.

94. Pre-suit demand upon the board of directors of ACMF is also excused because the wrongdoing of which Plaintiff complains in this complaint constitutes inherently illegal criminal activity that is *ultra vires* and a *per se* violation of the business judgment rule.

CLASS ALLEGATIONS

95. Plaintiff seeks to represent a class of investors in ACMF who purchased one or more shares in the Fund during the Class Period.

96. Excluded from the Class are Defendants, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

97. The requirements of Fed. R. Civ. P. 23(a) are met because:

(a) The members of the Class are so numerous that joinder of all members is impracticable.

(b) There are questions of law and fact common to the Class, including whether:

(i) Defendants' acts and conduct as alleged herein violated RICO;

(ii) Defendants breached their fiduciary and other duties to Plaintiff;

(iii) Defendants committed negligence;

(iv) Defendants' wrongful conduct proximately caused injury to Plaintiff; and

(v) Defendants are required to forfeit all fees, commissions or other profits received from the time that they first violated their fiduciary duties.

(c) Plaintiff's claims are typical of the claims of the members of the Class because all members of the Class were injured by Defendants' wrongful conduct in exactly the same way.

(d) Plaintiff will fairly and adequately protect the interests of the Class because Plaintiff's attorneys are qualified, experienced, and generally able to conduct the proposed litigation. Moreover, Plaintiff has no interests antagonistic to those of the Class.

98. The requirements of Fed. R. Civ. P. 23(b)(3) are met because:

(a) A class action is superior to all other available methods for the fair and efficient adjudication of this controversy because:

(i) The Class members' individual interests are small, such that they would have no interest in individually controlling the prosecution of separate actions;

(ii) No other litigation concerning this controversy has been commenced;

(iii) It would be desirable to concentrate the litigation of these claims in this forum; and

(iv) It is unlikely that there will be significant difficulties in managing this case as a class action.

FIRST CLAIM FOR RELIEF
(Individual and Class Claims)
(Civil RICO, 18 U.S.C. § 1962(c))

99. Plaintiff repeats and realleges all paragraphs above as if fully set forth herein.

100. This claim is brought by Plaintiff individually and on behalf of the Class pursuant to RICO, 18 U.S.C. §§ 1961, *et seq.*, against Defendants.

101. ACMF is an enterprise engaged in and whose activities affect interstate and foreign commerce. Defendants are the Directors, investment advisers and executives of ACMF and therefore occupy managerial or operational positions with respect to the racketeering acts alleged herein.

102. Defendants agreed to and did conduct or participate in the conduct of ACMF's affairs through a pattern of racketeering activity and for the unlawful purpose of investing in illegal gambling businesses in violation of 18 U.S.C. § 1962(c).

103. Pursuant to and in furtherance of their unlawful scheme, Defendants committed multiple racketeering acts by making numerous investments in an illegal gambling business on several occasions extending over a year.

104. The foregoing acts constitute a pattern of racketeering activity pursuant to 18 U.S.C. § 1961(5).

105. As a direct and proximate result of the Defendants' racketeering activities and violations of 18 U.S.C. § 1962(c), Plaintiff and the Class have been injured in their business or property.

SECOND CLAIM FOR RELIEF
(Individual and Class Claims)
(Civil RICO, 18 U.S.C. § 1962(**d**))

106. Plaintiff repeats and realleges all paragraphs above as if fully set forth herein.

107. This claim is brought by Plaintiff individually and on behalf of the Class pursuant to RICO, 18 U.S.C. §§ 1961, *et seq.*, against Defendants.

108. Each Defendant violated 18 U.S.C. § 1962(d) by conspiring and agreeing to conduct or participate in the conduct of ACMF's affairs through a pattern of racketeering activity and for the unlawful purpose of investing in illegal gambling businesses, in violation of 18 U.S.C. § 1962(c).

109. Pursuant to and in furtherance of their unlawful conspiracy, one or more Defendants committed one or more overt acts in furtherance of the conspiracy.

110. As a direct and proximate result of Defendants' conspiracy and the overt acts in furtherance of such conspiracy, Plaintiff and the Class have been injured in their business and property.

THIRD CLAIM FOR RELIEF
(Individual and Class Claims)
(Breach of Fiduciary Duty)

111. Plaintiff repeats and realleges all paragraphs above as if fully set forth herein.

112. This claim is brought by Plaintiff individually and on behalf of the Class against all Defendants.

113. Defendants owe a fiduciary duty to shareholders of ACMF who invested in the Fund.

114. Defendants have breached their fiduciary duties to Plaintiff and the Class by causing ACMF, through the Fund, to invest in an illegal gambling business.

115. Plaintiff and the Class have been injured as a direct, proximate and foreseeable result of such breach on the part of Defendants and have suffered substantial damages thereby, including the loss in value of their investments and the payment, directly or indirectly, of commissions, fees and other compensation received by Defendants from the time that they first breached their fiduciary duties to Plaintiff and the Class.

116. Plaintiff, individually and on behalf of the Class, also seeks special injuries not belonging to ACMF. In particular, Plaintiff and the Class seek the recoupment of fees, commissions and other compensation that Plaintiff and each Class member paid to Defendants.

FOURTH CLAIM FOR RELIEF
(Individual and Class Claims)
(Negligence)

117. Plaintiff repeats and realleges all paragraphs above as if fully set forth herein.

118. This claim is brought by Plaintiff individually and on behalf of the Class against all Defendants.

119. Defendants owe a duty to the shareholders of ACMF who invested in the Fund to exercise reasonable care with respect investments by the Fund.

120. Defendants breached their duty of care to shareholders of ACMF who invested in the Fund by causing ACMF, through the Fund, to invest in an illegal gambling business.

121. As a proximate result of Defendants' negligence, Plaintiff and the Class have been damaged.

FIFTH CLAIM FOR RELIEF
(Derivative Claim)
(Civil RICO, 18 U.S.C. § 1962(**c**))

122. Plaintiff repeats and realleges all paragraphs above as if fully set forth herein.

123. This claim is brought by Plaintiff derivatively on behalf of ACMF pursuant to RICO, 18 U.S.C. §§ 1961(c), against Defendants separately and distinctly from her claims individually and on behalf of the Class.

124. As a direct and proximate result of Defendants' racketeering activities and violations of 18 U.S.C. § 1962(c), ACMF has been injured in its business and property.

SIXTH CLAIM FOR RELIEF
(Derivative Claim)
(Civil RICO, 18 U.S.C. § 1962(**d**))

125. Plaintiff repeats and realleges all paragraphs above as if fully set forth herein.

126. This claim is brought by Plaintiff derivatively on behalf of ACMF pursuant to 18 U.S.C. § 1961(d), against Defendants separately and distinctly from her claims individually and on behalf of the Class.

127. As a direct and proximate result of Defendants' conspiracy and the overt acts in furtherance of such conspiracy, ACMF has been injured in its business and property.

SEVENTH CLAIM FOR RELIEF
(Derivative Claim)
(Breach of Fiduciary Duty)

128. Plaintiff repeats and realleges all paragraphs above as if fully set forth herein.

129. This claim is brought by Plaintiff on behalf of ACMF against Defendants separately and distinctly from Plaintiff's claims individually and on behalf of the Class.

130. Defendants have breached their fiduciary duties to ACMF by causing ACMF to invest in an illegal gambling business.

131. ACMF has been injured as a direct, proximate and foreseeable result of such breach on the part of Defendants and has suffered substantial damages thereby.

EIGHTH CLAIM FOR RELIEF
(Derivative Claim)
(Negligence)

132. Plaintiff repeats and realleges all paragraphs above as if fully set forth herein.

133. This claim is brought by Plaintiff on behalf of ACMF against Defendants separately and distinctly from Plaintiff's claims individually and on behalf of the Class.

134. ACMF has been injured as a direct, proximate and foreseeable result of Defendants' negligence and has suffered substantial damages thereby.

NINTH CLAIM FOR RELIEF
(Derivative Claim)
(Waste)

135. Plaintiff repeats and realleges all paragraphs above as if fully set forth herein.

136. This claim is brought by Plaintiff on behalf of ACMF against Defendants separately and distinctly from Plaintiff's claims individually and on behalf of the Class.

137. Defendants each had a duty to ACMF to prevent waste of ACMF's assets.

138. Defendants each breached their duties to prevent the waste of ACMF's assets.

139. ACMF has been injured as a direct, proximate and foreseeable result of such breach on the part of the Defendants and has suffered substantial damages thereby.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays that, upon the trial of this action, Plaintiff recover for herself, on behalf of the Class, on behalf of nominal defendant, from each Defendant, jointly and severally, as follows:

a) Compensatory damages for individual shareholders representing the reduction in value of their investments resulting from Defendants' wrongful conduct;

b) Compensatory damages for ACMF representing the reduction in value of its investments resulting from Defendants' wrongful conduct;

c) Forfeiture and disgorgement of any commissions, fees or profits received by Defendants from the time of their first wrongful conduct;

d) Treble damages;

e) Punitive damages;

f) Recovery of Plaintiff's attorneys' fees, expert witness fees, and costs and disbursements of suit;

g) Pre-judgment and post-judgment interest; and

h) Such other and further relief to which Plaintiff is deemed entitled by the Court and/or the jury.

JURY DEMAND

Plaintiff demands a trial by jury on all issues to triable.

Dated: May 8, 2009

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VERIFICATION

LAURA SEIDL states:

I am the Plaintiff in this action. I have read the foregoing complaint. Pursuant to 28 U.S.C. § 1746, I verify under penalty of perjury that the foregoing is true and correct to the best of my knowledge information and belief formed after reasonable inquiry.

Date: May 8, 2009

Laura Seidl